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BY ELECTRONIC MAIL AND OVERNIGHT COURIER
Mary Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: D.T.E. 01-106, Investigation by the Department of Telecommunications and Energy to Investigate Increasing the Penetration Rate for Discounted Electric, Gas and Telephone Service.

Dear Secretary Cottrell:

On June 19, 2003, the Department of Telecommunications and Energy ("Department") issued a request for responses to the following question:

Please discuss any legal impediment and legal justification for utility participation in a computer matching program with EOHHS that would involve the electronic transfer of all residential accounts to EOHHS for the sole purpose of identifying customers eligible for discounted service with subsequent destruction of non-matching data.

On behalf of Bay State Gas Company ("Bay State"), please accept this letter as Bay State's response to the Department's briefing question. As good cause for its late filing, Bay State represents that prior to receiving the briefing questions from the other participants, Bay State was unaware of anything new it would be able to add, in light of the comprehensive responses of other participants, to the issues presented by the Department's question. However, after reviewing those responses, Bay State seeks to identify just one issue that may be relevant to the Department's investigation. Therefore, Bay State respectfully requests that the Department accept this letter out-of-time into the record in D.T.E. 01-106.

The Department requested all justifications and impediments to the exchange of residential account information from the utility to the state and all impediments. Exchanges of residential account information are justified by inter alia the policies set forth in the Electric Restructuring Act, however, if there is a less intrusive alternative that does not require a utility to divulge to EOHHS all utility residential account information, that alternative should be pursued. Electronic exchange of residential account information is impeded by (1) the fact that the Electric Restructuring Act is stating "wishes," and is not crafted with the intent to trump existing privacy statutes; and (2) privacy regulations restrict dissemination of social security information (held by Executive Office of Health and Human Services) or of customer account numbers and

usage (held by utilities). These views have been adequately articulated by the other utilities participating in this proceeding, and Bay State generally agrees with all of them.

An alternative exists that may address some of these concerns. Recently the New Jersey Public Service Board ordered one-stop enrollment as a method of outreach to ensure a low income universal service, providing funding of a Universal Service Fund ("USF") to provide revenues to the effort. In the Matter of Establishment of a Universal Service Fund, Docket No. EX0020091 (Mar. 20, 2003) (note: the requirement to provide universal service was set forth under New Jersey's restructuring statute). While neither Bay State nor its affiliates operates in New Jersey, Bay State noticed that this program proposal, among other things, requires the relevant state agencies (not utilities) to identify using a shared database potential low-income participants through its state records and state-sponsored verification programs and then match those individuals to a utility's service territory. Once identified, the low-income customer receives a credit on his or her energy bill for which the utility is provided reimbursement from the state-run USF. All customers pay a uniform charge on their energy bills that each utility transfers to the USF, and the Public Service Board determines the annual amount of funding that will go into the USF (which determines the uniform charge each year).

Bay State does not advocate the adoption of the New Jersey program, as it notes that the program has both advantages and disadvantages. Nevertheless, its broad outline may address some of the perceived impediments to the Massachusetts proposal. First, the utilities do not violate privacy laws by divulging and transferring confidential information to an agency that may then be required to make such information public. Only the information that meets specific criteria changes hands, and the information flow is from the state to the utility, not visa versa. Second, all state resources that may be used to identify low-income customers are in play, maximizing penetration. Third, only individuals who voluntarily participate in the state programs and LIHEAP will have their names forwarded to the utility. Fourth, state utility regulators monitor the cost of the program, which cost is borne by customers of each utility on an equivalent basis. Fifth, the bill credit allows the low income consumer to view the full bill and the credit applied thereto, ensuring that the customer sees the appropriate price signals related to his or her actual consumption.

Thank you for your consideration of these comments.

Respectfully submitted,



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cc: Service List, D.T.E. 01-106